

**Assembly Bill No. 1556**

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Passed the Assembly    May 8, 2003

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*Chief Clerk of the Assembly*

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Passed the Senate    July 24, 2003

\_\_\_\_\_  
*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day of  
\_\_\_\_\_, 2003, at \_\_\_\_\_ o'clock \_\_M.

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*Private Secretary of the Governor*

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## CHAPTER \_\_\_\_\_

An act to add Sections 13551 and 13552 to the Revenue and Taxation Code, relating to taxation.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1556, Nakano. Estate tax.

Existing law prohibits the imposition of any tax on or by reason of any transfer occurring by reason of death, but imposes a California estate tax equal to a certain portion of the maximum allowable amount of credit for state death taxes allowable under the applicable federal estate tax law. Existing law also specifies the applicable interest payable on delinquent amounts or overpayments of tax.

The bill would provide that every payment of the tax shall first be applied to any interest due, secondly, to penalties, and then to the tax itself, as provided. This bill would also provide that all interest and penalties shall be treated and collected in the same manner as taxes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 13551 is added to the Revenue and Taxation Code, to read:

13551. Every payment on the tax imposed by this part is applied, first, to any interest due on the tax, secondly, to any penalty imposed by this part, and then, if there is any balance, to the tax itself.

SEC. 2. Section 13552 is added to the Revenue and Taxation Code, to read:

13552. All interest and penalties provided in this chapter shall be treated and collected in the same manner as taxes.



Approved \_\_\_\_\_, 2003

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*Governor*

